

Message Text

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E.O. 11652: GDS

TAGS: ENRG PFOR EC

SUBJ: PRESIDENT POVEDA LAMENTS POSSIBLE EFFECTS OF GULF
DISPUTE ON US.-ECUADOREAN RELATIONS

1. DURIN OUR PRIVATE TALK LAST NIGHT ON THE GULF PROBLEM, PRESIDENT POVEDA LAMENTED AT LENGTH THE POTENTIAL DAMAGE TO US.-ECUADOREAN RELATIONS POSED BY GULF'S ACTIONS. HE EMPHASIZED THAT HIS GOVERNMENT SINCE ITS INSTALLATION IN JANUARY HAD TRIED TO PURSUE A MORE FRANKLY PRO-US. ORIENTATION. HE SAID THAT THIS WAS NOT EASY TO EACCOMPLISH GIVEN THE CIRCUMSTANCES (GSP EXCLUSION, DIFFERENCES OVER LOS, FOUR YEARS OF LEFTIST INFILTRATION UNDER THE PRECE-CESSOR REGIME). NEVERTHELESS, HE THOUGH PROGRESS HAD BEEN MADE. HIS GOVERNMENT WANTED VERY MUCH TO HAVE CLOSE RELATIONS WITH THEUS., BOTH BECAUSE HE AND HIS COLLEAGUES BELIEVED THAT IT WAS "NORMAL" FOR ECUADOR TO BE IN THE US. CAMP AND BECAUSE IT WOULD BE IN THE NATIONS'S BEST INTERESTS IN THE LONG RUN.

2. FOR THAT REASON THE GOE HAD TRIED TO BE AS CIRCUMSPECT AS POSSIBLE IN HANDLING THE GULF MATTER, EVEN THOUGH GULF HAD DIRECTLY CHALLENGED ITS SOVEREIGNTY. IT HAD DONE NOTHING TO ENFORCE THE LAW FOR SEVERAL WEEKS AFTER GULF BEGAN WITH- HOLDING DEPOSITS, IT HAD PLACED THE CADUCITY MATTER STRICTLY WITHIN LEGAL TERMS,AND IT HAD AVOIDED THE TEMPTATION TO BOLSTER ITS INTERNATERNAL POLITICAL POSITION BY RESORTING TO DEMAGOGIC BLUSTER OVER THE DEPOSITS. FINALLY, THE GOE HAD
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 QUITO 06896 241851Z

COMMITTED ITSELF TO A BUY,OUT OF GULF ONCE THE LATTER HAD

COMPLIED WITH THE LAW.

3. THE PRESIDENT, WITH OBVIOUS EMOTION, DESCRIBED TO ME HIS HOPES FOR A NEW, HEALTHIER POLITICAL PROCESS IN ECUADOR. HE DISCLOSED THE GOVERNMENT'S PLANS TO STRENGTHEN THE POLITICAL PARTIES SO THAT FULL DEMOCRACY COULD BE RESTORED WITHIN THE GOVERNMENT' TIMETABLE. HE SPOKE OF HIS DESIRE THAT ECUADOR NOT FALL INTO THE PATTERNS OF REPRESSION AND VIOLENCE OF ITS NEIGHBORS IN THE SOUTHERN CONE.

4. MY OWN VIEW IS THAT, POVEDA'S OBVIOUS SINCERITY ASIDE, HE IS AN ASTUTE ENOUGH POLITICIAN THAT HE COULD PROBABLY MAKE GOOD ON HIS GOALS OF DRAWING ECUADOR CLOSER TO THE US. AND, EVEN TO SOME EXTENT, OF PUMPING SOME LIFE INTO ECUADOR'S POLITICAL INSTITUTIONS. BECAUSE HIS POWER BASE IS THE NAVY, RATHER THAN THE ARMY, AND GIVEN THE FRAGMENTED STYLE OF POLITICS HERE, HE PROGRESS TOWARDS THESE GOALS HAS BEEN HALTING. BUT THE GULF AFFAIR THREATENS TO PULL THE RUG OUT FROM UNDER HIM COMPLETELY. IT WOULD NOT SURPRISE ME THAT, SHOULD GULF BE CADUCED, POVEDA WOULD DEPART THE SCENE WITHIN A FEW MONTHS--PARTLY BECAUSE OF THE ENSUING ECONOMIC AND POLITICAL REPERCUSSIONS AND PARTLY BECAUSE HE HAS NO STOMACH FOR THE KIND OF POLICY OF COUNTERATTACK AGAINST US. ESPOUSAL OF A GULF CLAIM THAT THE ECUADOREAN GOVERNMENT MIGHT BE FORCED TO PURSUE IN THOSE CIRCUMSTANCES.

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